

WHICH HAS A MAIN OFFICE IN THIS STATE OR COVERING PERSONS WHO RESIDE OR WORK WITHIN THIS STATE.

(2) THIS SECTION DOES NOT APPLY TO REINSURANCE, WORKMEN'S COMPENSATION, OR SURETY.

(C) THE FOLLOWING ACTIONS BY AN INSURER OR NONPROFIT HEALTH SERVICE PLAN ARE UNFAIR CLAIM SETTLEMENT PRACTICES AND ARE VIOLATIONS OF THIS SECTION:

(1) MISREPRESENTING PERTINENT FACTS OR INSURANCE POLICY PROVISIONS RELATING TO THE CLAIM AT ISSUE;

(2) REFUSING TO PAY A CLAIM FOR AN ARBITRARY OR CAPRICIOUS REASON BASED ON ALL AVAILABLE INFORMATION;

(3) ATTEMPTING TO SETTLE A CLAIM ON THE BASIS OF AN APPLICATION WHICH IS ALTERED WITHOUT NOTICE TO, OR THE KNOWLEDGE OR CONSENT OF, THE INSURED;

(4) FAILING TO INCLUDE WITH ANY CLAIM PAID TO AN INSURED OR BENEFICIARY A STATEMENT SETTING FORTH THE COVERAGE UNDER WHICH PAYMENT IS BEING MADE;

(5) FAILING TO SETTLE A CLAIM PROMPTLY WHENEVER LIABILITY IS REASONABLY CLEAR, UNDER ONE PORTION OF A POLICY IN ORDER TO INFLUENCE SETTLEMENTS UNDER OTHER PORTIONS OF THE POLICY; OR

(6) FAILING PROMPTLY UPON REQUEST TO PROVIDE A REASONABLE EXPLANATION OF THE BASIS FOR A DENIAL OF A CLAIM.

(D) THE FOLLOWING ACTIONS BY AN INSURER OR NONPROFIT HEALTH SERVICE PLAN, IF COMMITTED WITH SUCH FREQUENCY AS TO INDICATE A GENERAL BUSINESS PRACTICE, ARE UNFAIR CLAIM SETTLEMENT PRACTICES AND ARE VIOLATIONS OF THIS SECTION:

(1) MISREPRESENTING PERTINENT FACTS OR INSURANCE POLICY PROVISIONS RELATING TO THE COVERAGES AT ISSUE;

(2) FAILING TO ACKNOWLEDGE AND ACT WITH REASONABLE PROMPTNESS ON COMMUNICATIONS REGARDING CLAIMS ARISING UNDER INSURANCE POLICIES;

(3) FAILING TO ADOPT AND IMPLEMENT REASONABLE STANDARDS FOR THE PROMPT INVESTIGATION OF CLAIMS ARISING UNDER INSURANCE POLICIES;

(4) REFUSING TO PAY CLAIMS WITHOUT CONDUCTING A REASONABLE INVESTIGATION BASED ON ALL AVAILABLE INFORMATION;

(5) FAILING TO AFFIRM OR DENY COVERAGE OF CLAIMS WITHIN A REASONABLE TIME AFTER PROOF OF LOSS STATEMENTS HAVE BEEN COMPLETED;